

2010 BCSECCOM 362

June 10, 2010

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – *Securities Act* s. 76 - Exemption from s. 61 requirement to file a prospectus in connection with a distribution - National Instrument 45-102 *Resale of Securities*, sections 3.1 and 2.14 – prospectus requirement - The Filer seeks first trade relief for securities issued to it by an issuer that is not a reporting issuer in Canada and whose securities trade on a market outside of Canada - The Filer meets all of the conditions of the prospectus exemption in section 2.14 of National Instrument 45-102 *Resale of Securities* except that residents of Canada will own more than 10% of the issuer's securities; to the knowledge of the Filer, the Filer is the issuer's only Canadian resident shareholder and no market exists for the issuer's securities in Canada and, because the issuer has a *de minimus* connection to Canada, none is expected to develop

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 76

National Instrument 45-102 *Resale of Securities*, sections 3.1 and 2.14

In the Matter of
the Securities Legislation of
British Columbia
(the Jurisdiction)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Hansa Resources Limited (the Filer)

Decision

Background

- ¶ 1 The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the

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principal regulator (the Legislation) that the prospectus requirement does not apply to the first trades of the Canadian Shares (as defined below) (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the British Columbia Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(i) of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon in Alberta.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer was incorporated under the laws of British Columbia on March 19, 1980; the Filer is engaged in base and precious metals exploration and development in Scandinavia; the Filer's head office is located at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia;
 - 2. the authorized capital of the Filer consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value; 52,253,317 common shares of the Filer are issued and outstanding as at the date of this application;
 - 3. the Filer's common shares are listed on the TSX Venture Exchange and the Frankfurt stock exchange; the Filer is a reporting issuer in British Columbia and Alberta; the Filer is not in default of securities legislation in any jurisdiction;
 - 4. in March 2010, the Filer sold its wholly-owned subsidiary, Hans A Resources AB, which is the holder of a number of mineral licenses located primarily in the Vasterbotten area of Sweden, to Botnia Exploration Holding AB (Botnia), a Swedish exploration company with properties and management located in Sweden, for \$1,000,000 and 237,816,000 shares of Botnia (the Canadian Shares);

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5. half of the Canadian Shares were issued on the closing of the transaction and half will be issued on the achievement of a specific milestone (being the receipt of an environmental permit by Botnia);
6. Botnia's shares are listed on the Aktietorget stock exchange under symbol "BOTX"; Botnia is not a reporting issuer in the Jurisdiction or in any other province or territory of Canada, and none of its shares are listed for trading on any exchange or market located in Canada; to the Filer's knowledge, Botnia does not intend to become a reporting issuer in Canada or list its shares on an exchange or market in Canada and Botnia is not in default of securities legislation in any jurisdiction;
7. Botnia issued half of the Canadian Shares to the Filer pursuant to registration and prospectus exemptions in National Instrument 45-106 – *Prospectus and Registration Exemptions* under the takeover bid exemption in Section 2.16; if Botnia issues the other half of the Canadian Shares to the Filer, Botnia will use the same exemption;
8. with the issuance of half of the Canadian Shares, the Filer owns 19% of the issued shares of Botnia; upon issuance of all of the Canadian Shares, it is expected that the Filer will own 38% of the issued shares of Botnia;
9. to the Filer's knowledge, the Filer is Botnia's only Canadian shareholder;
10. the Filer expects to resell the Canadian Shares on the Aktietorget stock exchange; to the Filer's knowledge, no market exists for Botnia's shares in Canada and none is expected to develop;
11. in the absence of an exemption order, the Filer's first trade in the Canadian Shares will be deemed to be a distribution under National Instrument 45-102 *Resale of Securities* (NI 45-102) unless, among other things, Botnia has been a reporting issuer in a jurisdiction of Canada for four months immediately preceding the trade; and
12. the exemption provided in section 2.14 of NI 45-102 is not available to the Filer for a first trade of the Canadian Shares because at the distribution date of the Canadian Shares, residents of Canada owned more than 10% of the outstanding shares of Botnia.

Decision

- ¶ 4 The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

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The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) Botnia is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
- (b) the first trade of the Canadian Shares is executed through the facilities of the Aktietorget stock exchange or on another exchange or market outside of Canada; and
- (c) at the distribution date of the Canadian Shares, after giving effect to the issue of the shares and any other shares of the same class or series that were issued at the same time as or as part of the same distribution as the shares, residents of Canada (excluding the Filer):
 - (i) did not own directly or indirectly more than 10 percent of the outstanding shares of the class or series, and
 - (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of shares of the class or series.

Brenda M. Leong
Chair
British Columbia Securities Commission